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FM AMCONSUL SAO PAULO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6277  
INFO RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE  
RUEHBR/AMEMBASSY BRASILIA PRIORITY 7359  
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 7707  
RUCPDOC/USDOC WASHDC 2679

UNCLAS SAO PAULO 000033

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STATE INR/R/MR; IIP/R/MR; WHA/PD

DEPT PASS USTR

USDOC 4322/MAC/OLAC/JAFEE

E.O. 12958: N/A

TAGS: KMDR OPRC OIIP ETRD BR

SUBJECT: MEDIA REACTION: IRAQ: PRESIDENT BUSH'S IRAQ SECURITY PLAN;  
WESTERN HEMISPHERE: ZOELLICK'S PROPOSAL, VENEZUELA, BOLIVIA,  
ECUADOR; SAO PAULO

#### 11. "Is There Any Logic In Bush's 'Madness'?"

The lead editorial in center-right national circulation daily O Estado de S. Paulo commented (1/13): "Bush has not only recognized that he made a mistake and publicly admitted it, but he is aware that not even with an additional 20,000 soldiers will he be able to change the disastrous situation resulting from his mistakes. With the plan he now proposes he would only reinforce the strategy for the total withdrawal of the US troops in Iraq. In other words, he does not want to admit publicly that he endorses the bipartisan plan of gradual withdrawal of the troops - the so-called Baker Plan.... But it is the gradual withdrawal of US troops in Iraq that his plan provides for."

#### 12. "FTAA Without Mercosul"

National circulation center-right daily O Estado de S. Paulo editorialized (1/15): "The US may create an FTAA without Mercosul, thereby dividing the Americas into two blocs. One of them will include nations with preferential access to the markets of the world's largest economy and all advantages resulting from that, such as the attraction of investments. The other bloc will be formed by Brazil, Argentina, Paraguay, Uruguay, Venezuela and Bolivia, if the Uruguayans and Paraguayans do not try to escape the trap. Those who do not escape will be subject to Hugo Chvez's political whims.... The proposal for the creation of the US-led Hemispheric bloc is in an article by USTR Robert Zoellick published a week ago by the Wall Street Journal.... According to Zoellick, by proposing the establishment of free-trade agreements, the USG would be responding to rising leftist leaders in Latin America.... It is not clear whether the article expresses just Zoellick's opinions and suggestions or if he is disseminating ideas of a group with political and business interests - maybe the very USG. It would not be the first time that a former high level government official would agree to perform such a job. But the former USTR would not invest his time, energy and prestige in preparing a political agenda without chances of receiving the support of most of the public opinion. If the Democratic majority is not too busy with its protectionist agenda, Zoellick's suggestions may result in political developments.... There is no reference in Zoellick's article to the South American nations that helped most to bury the FTAA project - Brazil and Argentina under the Lula and Kirchner administrations. These are simply out of the game proposed by Zoellick. At the present time, he is only concerned about the populist rising leaders, and this is understandable. They have proven to be more capable of influencing the regional agenda, neutralizing the weight of more economically developed nations, such as Brazil. Zoellick shows that he knows very well the south American reality."

#### 13. "American Union"

Steel tycoon Benjamin Steinbruch opined in liberal, largest national circulation daily Folha de S. Paulo (1/16): "Political lighting strikes frightening Latin America have shown how far we are from a continental union in the Americas. Venezuela expels foreign companies and announces a nationalization program. Bolivia expropriates oil and gas companies. Ecuador signals that it may follow the same path. Argentina interferes in tariff prices of multinational companies installed in its territory and resorts to the WTO against Brazil, in addition to dueling with Uruguay and blocking access to its neighbor to prevent the installation of a pulp and paper mill on their common border. The bloc of American nations in a world where regional union is today increasingly more important does not exist even in the imagination of continental leaders.... Because of its leadership role, the US should pay more attention to the neighbors in its own backyard. If it looked with more attention and generosity to the South, Washington would see enormous latent synergies in the Americas and invest in the idea of building a true continental union. The synergies are many: ore, oil, gas, agribusiness, biofuel, manufactures, services and the Amazon's infinite biodiversity. Together, they would build a powerful and differentiated continent.... The construction of a true American Union demands imagination to achieve a level well beyond that thought by the extinct FTAA, which was a mere free-trade agreement engendered so that the US might buy cheap raw material and sell expensive technology."

#### 14. "Political Instability Worsens In The Neighborhood"

Business-oriented Valor Economico (1/16) editorialized: "Signs of authoritarianism and political crises have spread through Venezuela, Bolivia and Ecuador. The common thread of this a triple alliance of disorder is the union between Rafael Correa, Evo Morales and Hugo Chvez around the convenient 'Bolivarian revolution' that will help them to adopt institutional changes of unpredictable consequences.... There is not the slightest doubt that democracy in those nations must be improved and that the separation of parties from the population allowed the emergence of non-traditional

politicians with radical proposals, the most ruinous of which is the replacement of corroded institutional structures with others even more fragile, based on the charismatic authoritarianism of salvation leaders."

McMullen